

## **Executive Summary**

### **Background: CDBG**

In 2002, the City of Gaithersburg was notified by the U.S. Department of Housing and Urban Development (HUD) that it was eligible to receive funding under the Community Development Block Grant (CDBG) program as a direct entitlement grantee. In March 2003, the City was notified that its CDBG allocation for the fiscal year beginning July 1, 2003 would be \$549,000. Although the City was eligible as a direct entitlement community, its receipt of funding was conditional upon approval of a five-year Consolidated Plan, a comprehensive document that serves as both a planning document building on a participatory process and an application for federal funds under HUD's formula grant program. The Consolidated Plan also sets forth the strategy the community will follow in carrying out its programs and an action plan that includes a basis for assessing performance.

The Consolidated Plan must address the overall goals of the CDBG program, which are:

- 1) To provide decent housing;
- 2) To create a suitable living environment; and
- 3) To provide expanded economic opportunities.

In May 2003, the City submitted its five-year Consolidated Plan to HUD. The Plan was approved by HUD, and the City subsequently entered a Consolidated Plan Grant Agreement with HUD pursuant to which the City agreed to comply with all applicable laws and regulations in accepting and administering its first-year CDBG award in the amount of \$549,000. The Agreement governed the City's first year as a CDBG entitlement community, from July 1, 2003, to June 30, 2004.

The City has been notified that its CDBG award for the upcoming year, from July 1, 2004, to June 30, 2005, will be \$545,000, a reduction of 0.73 percent.

### **Background: HOPWA**

In October 2003, HUD notified the City of Gaithersburg that it would receive a direct allocation of HOPWA (Housing Opportunities for Persons With AIDS) funding on behalf of the Bethesda-Frederick-Gaithersburg Metropolitan Division, which consists of Montgomery and Frederick Counties, Maryland. This newly created Metropolitan Division was established in June 2003, when the Office of Management and Budget (OMB) revised its definitions of Metropolitan Statistical Areas (MSAs).<sup>1</sup> Before the reconfiguration, Montgomery and Frederick Counties were part of the Washington, DC

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<sup>1</sup> As a result of OMB's reconfiguration of MSAs, nine cities across the United States, including Gaithersburg, became new HOPWA formula grantees.

MSA, and HOPWA funding for the two counties went to the grantee for that area, the District of Columbia Department of Health, HIV/AIDS Administration (DCHAA).

The City of Gaithersburg has been designated the formula grantee for the new Metropolitan Division because, according to the 2002 Census Update Estimate, Gaithersburg is the most populous municipality in the two-county area. By letter dated February 25, 2004, the City of Gaithersburg agreed to act as the HOPWA formula grantee for the Bethesda-Frederick-Gaithersburg Metropolitan Division, thereby accepting \$535,000 in HOPWA funds to be used to provide housing assistance and other supportive services for low-income persons with HIV/AIDS in Montgomery and Frederick Counties.

## **Amended Consolidated Plan**

Under HUD Regulations, 24 CFR 91.105(a), a jurisdiction is required to amend its Consolidated Plan when it decides to carry out an activity, using funds from any program covered by the Plan, that was not previously described in the Action Plan. HUD Regulations also clearly specify that the Consolidated Plan functions as an application for federal funds under HUD's formula grant programs, including HOPWA (see 24 CFR 91.1(b)(2) and 91.2(a)(4)). As a result of the City's new status as a formula grantee for HOPWA funds, the City is required to amend its Consolidated Plan to include HOPWA. (Its original Plan addressed only CDBG funds.)

The City amended its original Plan by (1) rewriting the Executive Summary; (2) updating Chapter 5 (Action Plan) by including the City's Action Plan for the program year from July 1, 2004 to June 30, 2005; and (3) adding Chapter 6, a Performance Plan in Support of Housing for Persons With HIV/AIDS, which describes citizen participation and community consultation activities the City has undertaken as a HOPWA formula grantee. Chapter 6 also includes a housing market analysis, housing needs assessment, strategic plan, and a summary of the City's Action Plan, as these components relate to HOPWA and the two-county Metropolitan Division on behalf of which Gaithersburg will receive funds. The City's Action Plan describes proposed HOPWA as well as CDBG activities for the upcoming year, July 1, 2004 to June 30, 2005, the City's fiscal year 2005 (and HUD fiscal year 2004).

## **Executive Summary: Overview**

This Executive Summary describes the planning process the City of Gaithersburg completed to develop its Amended Consolidated Plan. It also includes a community profile and an overview of the City's housing and community development needs to provide some context for the strategies and objectives the City has adopted and the actions and types of projects it intends to undertake in the remaining four-year period covered by this Amended Consolidated Plan (July 1, 2004 to June 30, 2008). The Executive Summary concludes with a description of the City's Strategic Plan and Action Plan for the upcoming year (July 1, 2004 to June 30, 2005).

## **Planning Process**

The consolidated planning process is designed to be a collaborative process whereby a community establishes a unified vision for community development activities to cover a specific time period. Local jurisdictions undertake this process through a collaborative effort that involves residents and businesses, other local government agencies, adjacent jurisdictions, and stakeholders in the community. This effort, known as citizen participation and community consultation, is critical to the development of the Consolidated Plan.

The City of Gaithersburg undertook this planning process when it became an entitlement community for CDBG funding by developing a community needs survey that was sent to a group of 310 residents, business owners, social service and nonprofit agencies, and local governments working in Gaithersburg. Seventy surveys were completed and returned. Responses to those surveys, Census 2000 data, input and ideas generated at several public hearings and community meetings, and other local sources of information provided the framework within which Gaithersburg's Consolidated Plan was developed.

## **Community Profile**

The City of Gaithersburg underwent enormous change following its original settlement as an agricultural community until the early 20th century. Life in the City changed dramatically in the late 19th century when the B&O Railroad came through Gaithersburg bringing with it new commercial and residential growth.

Over time, the City continued to grow, both through the annexation of adjoining land and population increases. Located just 13 miles north of Washington, D.C., the 10 square miles of Gaithersburg are in the heart of Montgomery County. (Refer to the locator map included in Appendix E for additional information on the City's location.)

The 1950s and 60s brought the advent of the suburban mall to Gaithersburg, attracting residents and visitors past the historic Olde Towne to the newly built Lakeforest Mall. In 1961, the National Bureau of Standards (now the National Institute of Standards and Technology) came to Gaithersburg, bringing with it new growth in population and a new kind of business built around the research and technology industry. The City is now a major regional location for high-technology companies.

## **Demographic Information**

Demographic information in the City's Amended Consolidated Plan, like that in the original Plan, focuses on the City of Gaithersburg. However, because the City is now the HOPWA formula grantee for a Metropolitan Division that consists of Montgomery and Frederick Counties, certain summary information on the demographics of those two counties has been added as well.

Gaithersburg is home to a diverse community of more than 50,000 residents. According to the 2000 Census, the City has a total population of 52,613. According to the 2003 Annual Estimate of the Population for Incorporated Places in Maryland, released June 24, 2004, the City's population as of July 1, 2003 was 57,365. The estimated population for Montgomery and Frederick Counties, Maryland—which comprise the Bethesda-Frederick-Gaithersburg Metropolitan Division—were 918,881 and 213,662, respectively, according to the 2003 Census Update Estimate.

## **Race/Ethnicity**

The 2000 Census reveals significant racial and ethnic diversity among Gaithersburg residents. More than half of the City's residents (58.2 percent) identified themselves as white; 14.6 percent as black or African-American; 0.4 percent as American Indian and Alaska Native; 13.8 percent as Asian (which includes Asian Indian, Chinese, Filipino, Japanese, Korean, Vietnamese, and other Asian); and 0.1 percent as Native Hawaiian and other Pacific Islander. Another 8.6 percent identified themselves as "some other race," and 4.4 percent as "two or more races."

According to the 2000 Census, almost one-fifth of City residents (19.8 percent) are Hispanic or Latino (of any race). Although 58.2 percent of City residents identified themselves as white, non-Hispanic white (white only) residents are, in fact, a minority (49.1 percent) in Gaithersburg.

The 2000 Census indicates significant racial and ethnic diversity across Montgomery County, where 67 percent of residents identified themselves as white; 16 percent as black or African-American; 0.8 percent as American Indian or Alaska Native; 12 percent as Asian; and 0.2 percent as Native Hawaiian and other Pacific Islander. Another 5 percent identified themselves as "some other race," and 1.8 percent as "two or more races." According to the 2000 Census, approximately 12 percent of Montgomery County residents are Hispanic or Latino (of any race).

As for Frederick County, the 2000 Census shows that 90 percent of residents identified themselves as white; 7 percent as black or African-American; 0.6 percent as American Indian and Alaska Native; 2.1 percent as Asian; 0.1 percent as Native Hawaiian and other Pacific Islander; and 1.2 percent as "some other race." The 2000 Census also shows that 2.4 percent of Frederick County's residents are Hispanic or Latino (of any race).

## **Income**

Census 2000 data reveal that in 1999 median family income in Gaithersburg was \$66,669 and median household income was \$59,879. HUD defines "extremely low," "low," and "moderate" income as specific percentages of a jurisdiction's median income. Under HUD's classifications, the term "low/moderate income" refers to persons with incomes up to 80 percent of the median for the area (which includes extremely low-, low-, and moderate-income persons). For the City of Gaithersburg, low- to moderate-income, therefore, refers to families whose income is up to \$53,335 (80 percent of \$66,669,

median family income for the City). As set forth in detail in the Housing Needs Assessment Chapter of this Consolidated Plan, the City estimates that approximately 40 percent of Gaithersburg's population is low to moderate income—4,791 families (37.3 percent) and 8,491 households (43.1 percent).

Census 2000 data reveal that in 1999 median family income in Montgomery County was \$84,035 and median household income was \$71,551. For Frederick County, such data show a median family income of \$67,879 and a median household income of \$60,276.

## **Cost Burden**

In preparing its Consolidated Plan, the City also examined the percentage of monthly income that Gaithersburg families and households use to cover housing costs. HUD defines "cost burden" as the extent to which gross housing costs, including utilities, exceed 30 percent of gross income. "Severe cost burden" exists when gross housing costs exceed 50 percent of monthly gross income. As discussed in the Housing Needs Assessment, a high percentage of Gaithersburg's low- to moderate-income households are cost-burdened. Cost burden is also significant for moderate-income households, 77 percent of which are cost-burdened and 24 percent of which are severely cost-burdened, according to HUD's 2000 CHAS Data Table.

## **Housing Needs**

Among the housing needs discussed in this Amended Consolidated Plan are maintaining and preserving the stock of affordable rental housing for low-income households, promoting homeownership for moderate-income persons in the City, assisting the homeless and those at risk of becoming homeless by providing emergency and transitional housing, along with appropriate supportive services, and providing housing assistance and related supportive services to low-income persons with HIV/AIDS in the Bethesda-Frederick-Gaithersburg Metropolitan Division. Specific activities the City will undertake over the next four years to further these objectives are described in the Strategic Plan (Chapter 4) and the newly added Performance Plan in Support of Housing for Persons With HIV/AIDS (Chapter 6).

## **Non-Housing Community Development Needs**

As prescribed by HUD, this Consolidated Plan addresses not only housing needs, but non-housing community development needs as well. Among the needs identified and discussed in this Amended Consolidated Plan are the following: protecting historic resources in the city (especially in the City's Olde Towne Historic District), pursuing economic development programs and strategies, improving the safety and livability of neighborhoods, and continuing and strengthening partnerships with local Title I schools that have a high percentage of minority and low-income students.

## **Strategic Plan**

The Strategic Plan (Chapter 4) outlines Gaithersburg's general priorities for housing and community development funding over the remaining years covered by the City's Amended Consolidated Plan: July 1, 2004 to June 30, 2008. The Strategic Plan includes objectives, actions, strategies, and accomplishments in the following areas:

- A. Priority Affordable Housing and Homeless Needs and Objectives.
- B. Non-Housing Community Development Needs.
- C. Anti-Poverty Strategy.
- D. Strategy to Address Negative Effects of Public Policies that Serve as Barriers to Affordable Housing.
- E. Actions Proposed to Reduce Lead-Based Paint Hazards.
- F. Institutional Structure and Coordination.

## Action Plan

### CDBG

As detailed in the City of Gaithersburg's one-year Action Plan for the upcoming program year (Chapter 5), CDBG subgrants to nonprofit agencies this year will continue to serve eligible residents citywide. CDBG-funded capital projects in the City will take place in the Olde Towne Central Business District, which has been a priority funding area for nearly a decade and was identified as a neighborhood strategy area in 1978, and on the City's west side, where a new youth center will be constructed. During the City's first year as an entitlement community for CDBG, the City considered funding the renovation of a food pantry located on church property in Olde Towne but decided to reallocate such funds to the youth center project and to use City, rather than CDBG, funds for the food pantry renovation project.

The tables below identify the CDBG projects the City proposes to undertake during the upcoming project year, from July 1, 2004 to June 30, 2005. The tables include the proposed number of City residents to be served by each project and the CDBG eligibility category for each.

<b>Proposed CDBG Projects: July 1, 2004 – June 30, 2005</b>				
<b>Organization Name/Sponsor</b>	<b>CDBG Funds</b>	<b>Program Description</b>	<b># City Residents served (proposed)</b>	<b>Eligibility</b>
Community Clinic, Inc.	\$9,117	Salary/other costs of adding Saturday hours at medical clinic in Olde Towne	173/year	Public service 570.201(e)
Mobile Medical Care, Inc.	\$5,783	Salary and other costs of adding additional mobile medical van	240/year	Public service 570.201(e)
Montgomery College	\$12,000	Direct scholarships for coursework	25/year	Public service 570.201(e)

Guide Youth Services	\$125,250	Rehabilitation of City-owned facility	1,000/year	Rehabilitation/Public facility 570.201(c)
Housing and Community Initiatives	\$5,500	Homeownership education services	200/year	Public service 570.201(e)
Stepping Stones Shelter	\$23,500	Housing counseling and emergency assistance and eviction prevention.	107/year	Public service 570.201(e)
Gaithersburg Youth Center	\$229,000	Construction of public facility	40/day	New construction/ Public facility 570.201(c)
Planning and Administration	\$109,000	Administration of CDBG program	N/A	Administration 570.206

The City proposes the continued use of CDBG funds for the Safe Homes Pilot Project, created last year to address the needs of low- and moderate-income elderly and disabled residents. The City proposes three Safe Homes projects for the upcoming year, each of which was funded this year to provide services needed by these populations.

<b>Proposed Safe Homes Projects: July 1, 2004 – June 30, 2005</b>				
<b>Grantee</b>	<b>CDBG Funds</b>	<b>Program</b>	<b># City residents served</b>	<b>Eligibility</b>
Red Cross	\$4,600	Shopping services	15 Households – as needed (up to once a week)	Public service 570.201(e)
Home Care Partners	\$16,200	Non-medical personal care	15 – (average of 2 hours bi-weekly)	Public service 570.201(e)
		Home care aide training	2 City residents to receive home care aide certification	
Rebuilding Together	\$5,050	Handyman services and yard maintenance	11 elderly/disabled residents	Public service 570.201(e)

## **HOPWA**

As described earlier in this chapter, the City is to receive \$535,000 in HOPWA funds for the program year from July 1, 2004 to June 30, 2005 on behalf of the newly created Bethesda-Frederick-Gaithersburg Metropolitan Division, which includes Montgomery and Frederick Counties. As the grantee, Gaithersburg is entitled to a 3-percent administrative fee (\$16,050). The remaining \$518,950 will be divided between Montgomery and Frederick Counties based on the number of HIV/AIDS cases in the two counties. (In 2002, the most recent year for which HIV prevalence and incidence data are available, Montgomery County had 1,922 reported cases and Frederick, 203; therefore, Montgomery will likely receive approximately 90 percent of the funds and Frederick, 10 percent.) Since being notified of its status as a HOPWA formula grantee, the City has

designated the Maryland AIDS Administration as its administrative agency for the expected grant funds.

During the past several months, City staff have met and/or spoken with representatives from HUD, Montgomery County, the City of Frederick, Frederick County, Prince George's County (the current administrative agency for HOPWA funds Montgomery and Frederick Counties receive as part of the DC MSA), Whitman-Walker Clinic, and the District of Columbia. Through these discussions, the City has gained an understanding of the type of assistance HOPWA funds can provide and the approximate number of low-income persons with HIV/AIDS we can serve. With \$535,000 in anticipated HOPWA formula funds, the City expects to be able to serve approximately 46 Montgomery County residents and 5 Frederick County residents with tenant-based rental assistance. However, for the next year (July 1, 2004 to June 30, 2005), Montgomery and Frederick County clients will continue to be served through the DC EMSA. Gaithersburg, therefore, will not begin spending its FY2004 allocation on program activities until the program year beginning July 1, 2005; it will, however, spend its 3-percent administrative fee during the current program year. One of Gaithersburg's primary goals during the transition period is to stabilize existing HOPWA recipients and prevent homelessness as a result of the MSA reconfiguration.